

City of San Diego
Office of the Independent Budget Analyst

MONTHLY SNAPSHOT OF REPORTS AND ACTIVITIES

Highlights of Major Reports Issued in the Month of December:

Report No. 09-90 "IBA Review of the Mayor's Proposed

On November 24, 2009 the Mayor issued a plan to address a FY 2011 General Fund deficit of \$179 million as projected in his October Five-Year Financial Outlook FY 2011-2015. The Mayor's report requests Council approval of budget amendments for FY 2010 of \$24.5 million and approval of a resolution to implement a plan of budget solutions of \$154.6 million for FY 2011.

The IBA supports the Mayor's overall plan for FY 2010 and FY 2011 to address the immediate shortfall recognizing it as another critical step toward immediate financial survival and ultimately long-term financial stability. The Mayor's proposal provides an 18-month "bridge" so the City can work to achieve further structural reforms.

In our review of the Mayor's proposal, we analyzed all of the Mayor's one-time and ongoing solutions and all of the proposed reductions and revisions. While we supported the Mayor's plan overall, we raised a number of issues where we believe more discussion and consideration of the matter is warranted. In other areas, we clarified or provided additional information for the Council and the public where determined necessary.

We also addressed several important areas that were not fully discussed in the Mayor's report including: General Fund Revenue Analysis; Service Impacts; Meet and Confer Issues; Risks to the Mayor's Proposal; and Structural Budget Deficit and Structural Reforms. Finally, along with recommending Council support of the Mayor's budget proposal, we offered 24 recommendations for Council consideration.

Report No. 09-91 "Bayside Fire Station and Related Actions"

The actions related to the Bayside Fire Station were rescheduled for City Council and Redevelopment Agency consideration on Monday, December 7, 2009, since originally docketed in September 2009. Given the change in financial circumstances since that time, this report discussed the fiscal impacts of the proposed Bayside Fire Station and its related actions. The agreement for architectural and engineering services in an amount not to exceed \$1.36 million, as well as total project costs totaling \$24 million, will be funded by the Redevelopment Agency.

Once completed, the City will become obligated to staff, operate and maintain the fire station and its equipment. Currently, it is proposed that the fire station will open in Fiscal Year 2013 with the reallocation of an existing single-engine company from Fire Station No. 1, at no additional cost to the City's General Fund. Future staffing increases and additional equipment needs will be evaluated and phased in over time, as fiscal circumstances allow.

(continued on the following page)

Reports Highlighted for the Month of **December** 2009:

"IBA Review of the Mayor's Proposed FY2010/2011 Budget Solutions"

[Report No. 09-90](#) (12/4/09)
(PDF: 454K)

"Bayside Fire Station and Related Actions"

[Report No. 09-91](#) (12/3/09)
(PDF: 184K)

"City Administration Building Fire Sprinkler Retrofit"

[Report No. 09-92](#) (12/3/09)
(PDF: 64K)

Upcoming Dates:

Wednesday, January 6
Budget and Finance Committee Meeting - IBA to present an update report on the Structural Deficit Elimination Plan

Wednesday, January 27
Budget and Finance Committee Meeting

Report No. 09-91 “Bayside Fire Station and Related Actions” (cont’d.)

The budget reduction to implement rolling “brown-outs” for the Fire-Rescue Department could impact the ability to reassign one of the single-engine companies from Fire Station No. 1 to the new Bayside station, if it is one of the impacted locations. Since 8 engines (out of 13 locations) are under consideration, it is possible that the implementation of the “brown-out” proposal could be structured to omit Fire Station No. 1, allowing it to retain more than one unit to permit reassignment in future years.

Report No. 09-92 “City Administration Building Fire Sprinkler Retrofit”

On Tuesday, December 8, 2009 the City Council voted 5-3 to not authorize an agreement with Schirmer Engineering in an amount not to exceed \$127,103 to prepare bridging documents for the installation of fire sprinklers on the remaining ten floors of the City Administration Building (CAB).

In light of the budgetary reduction to eliminate the \$5.5 million required for installation of fire sprinklers and spot asbestos treatment in FY 2011, and since negotiations are ongoing with Gerding Edlen for a new City Hall, ***the IBA recommended that the Council not approve the action to enter into an agreement with Schirmer Engineering.*** With negotiations with Gerding Edlen expected to end in May 2010 the City will have a clearer picture of the future of the City Administration Building and at that time, if needed, E&CP could hire Schirmer to prepare the bridging documents. By delaying this action until the conclusion of negotiations, the installation of the sprinklers could be incorporated into a more comprehensive plan to address all of the needs.

The IBA has updated our “Citizen’s Guide to the City’s Budget Process.” Please visit our lobby or website at www.sandiego.gov/iba for the latest version.
